

DPD-1952-59
Copy 4 of 5

25 March 1959

MEMORANDUM FOR : Chief R&D

SUBJECT : Granger Associates Proposal for
Additional Black Boxes

1. Attached is a copy of the subject Contractor's proposal for furnishing 1,2 or 10 units of "chickentail" production models.

2. A copy of this proposal was also furnished to Maj. R. [redacted]. No other action has been taken by this office. In the event this proposal is approved, it is anticipated that we will receive the usual Program Approval.

[redacted]
Acting Chief
Contract Branch

DPD-DD/P: [redacted] :harp
Distribution:

- Orig. - Chief R&D cy 3 of DPD-1940-59
- 2. - [redacted]
- 3. - Contr. PF-400 cy 1 DPD-1940-59
- 4. - [redacted]
- 5. - Chrono

*file w/ Granger
-R54*

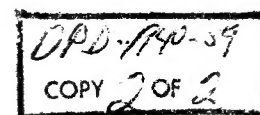
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25 YEAR RE-REVIEW

**ELECTRONIC SYSTEMS**966 Commercial Street
Palo Alto, California
Yorkshire 8-1648

March 17, 1959

Proposal No. 59-42

REGISTERED - RETURN RECEIPT REQUESTED

Attention:

Contracting Officer

STAT

Gentlemen:

In accordance with your telephone request yesterday, I am supply herewith a quotation on additional chickentail equipments. The new units would involve a substantially complete redesign in layout to accommodate the change in atmospheric pressure which came about after the layout of the prototype was completed.

Since any additional equipments would involve the production of redesigned units employing demonstrated circuit techniques, we believe that the contractual basis for such work should fall between a cost and a fixed price arrangement. Accordingly, we offer the enclosed quotation on a FPR (Type IV) basis.

The quoted prices include provision for extensive environmental testing in the engineering phase. Also covered are the costs of the antennas proper, and of suitable operating and maintenance instructions. Not included are the outer sealed container or the fiberglass tail section and associated isolating material, as required. Also not included in this quotation are any costs associated with flight evaluation tests involving Granger Associates personnel. Since the costs of such testing support are unpredictable, we propose that these services, if required, be handled on a separate "time and materials" or similar basis.

We hope that this quotation is satisfactory to you, and that we may be of service in the near future.

Sincerely,

STAT

Vice President and
Director of Engineering

WEA:jb

Encl: 2 cc Cost Analysis

**ELECTRONIC SYSTEMS**

966 Commercial Street
Palo Alto, California
YOrkshire 8-1648

Proposal No. 59-42

Cost Analysis

Production Units - Model 504

I - Engineering Labor

1.000 man months Supervisory Engineer @ \$1,600/mo	\$ 1,600
2.500 man months Project Engineer @ \$1,050/mo	2,625
2.500 man months Engineer @ \$662.50/mo	1,656
2.500 man months Mechanical Designer @ \$737.50/mo	1,844
1.625 man months Electronic Technician @ \$537.50/mo	873
.75 man months Mechanical Technician @ \$537.50/mo	403

Total Engineering Labor \$ 9,001

II - Production and Test Per Unit

1.000 man months Project Engineer @ \$1,050/mo	\$ 1,050
2.625 man months Electronic Technician @ \$537.50/mo	1,411
2.500 man months Mechanical Technician @ \$537.50/mo	1,344
1.500 man months Assembler @ \$367.60/mo	551

Total Production Labor per Unit \$ 4,356

III - Materials and Services Per Unit *

3 ea Huggins X-Band TW Tubes @ \$2,700 ea	\$ 8,100
2 ea Antennas @ \$330 ea	660
RF Components	605
Cooling Blower	60
Transformers	200
Miscellaneous Electrical Parts	1,300
Miscellaneous Mechanical Parts	200

Total Materials and Services Per Unit \$ 11,125

* Does not include outside box, or fiberglass tail section.

Cost Analysis
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	<u>QUANTITY</u>		
	<u>1 Unit</u>	<u>2 Units</u>	<u>10 Units</u>
Engineering Labor	\$ 9,001	\$ 4,500	\$ 900
Production and Test Labor	<u>4,356</u>	<u>4,356</u>	<u>4,356</u>
Total Labor	\$ 13,357	\$ 8,856	\$ 5,256
Overhead @ 65% of Direct Labor	8,682	5,755	3,416
Materials and Services	<u>11,125</u>	<u>11,125</u>	<u>11,125</u>
	\$ 33,164	\$ 25,736	\$ 19,797
G & A @ 18% of Costs	<u>5,969</u>	<u>4,632</u>	<u>3,563</u>
Total Costs Per Unit	\$ 39,133	\$ 30,368	\$ 23,360
Profit @ 10%	<u>3,913</u>	<u>3,036</u>	<u>2,336</u>
Total Price Per Unit	<u>\$ 43,046</u>	<u>\$ 33,404</u>	<u>\$ 25,696</u>

This quotation is offered on a fixed price redeterminable (Type IV) basis, F. O. B. Palo Alto, California, and is firm for 60 days. Delivery of the first unit can be made 90 days after receipt of order, the second unit 120 days after receipt of order, and thereafter at the rate of two units per month.

GRANGER ASSOCIATES

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Vice President and
 Director of Engineering

WEA:jb